



April 27, 2020

MEMO TO : Park Board Commissioners

FROM : Malcolm Bromley
General Manager, Vancouver Board of Parks and Recreation

SUBJECT : **COVID-19 Financial Impacts (Council Report) – Board Briefing Memo**

Dear Commissioners,

On April 14, 2020, Council received a [presentation](#) on the report titled “[COVID-19 Pandemic Impacts: Financial Update and Short-Term Actions](#)”. The approved recommendations (see attached) included sharing the information in that report with the Park Board.

Following is a summary of the key takeaways from the report:

- The COVID-19 pandemic has a number of financial impacts for the city, which include:
 - reduction in departmental revenues estimated at \$152 million, of which Parks and Recreation represents \$48 million;
 - increased risk of delinquency of tax payments by residents and businesses; for context, a 10% delinquency causes a \$130 million cash flow pressure;
- A core scenario is assumed in which social distancing restrictions remain in place to the end of August, with a 6 month timeline for recovery. This scenario estimates an approximate \$110 million gap to the 2020 budget.
- In order to address these financial risks, recommendations were made by Staff, many of which place a significant focus on senior levels of government.
- Key recommendations, reflected in the approved motion include:
 - Deferring the City’s requirement to remit taxes collected on other bodies to a later date, to ensure that the City does not have to utilize its own working capital or borrow to bridge for delinquent or late payments by residents/business
 - Expansion of the Tax Deferrment program to support those experiencing financial difficulties
 - Provide direct operating grants to the City to cover the significant revenue losses expected

In addition, information was shared about the steps already taken by the City and Park Board to address the financial impacts, which included:

- temporary layoffs of ~1500 employees;
- restrictions on new hires and travel;
- review of discretionary spending; and
- review of capital projects to determine opportunities to reduce operating budget impacts (reduced borrowing costs or lower transfer of property taxes).



VANCOUVER
BOARD OF
PARKS AND
RECREATION

Staff will continue to provide updates regarding the Park Board's specific financial impacts as the situation evolves.

Regards,

A handwritten signature in black ink, appearing to read "Malcolm Bromley". The signature is fluid and cursive, with a period at the end.

Malcolm Bromley
General Manager - Vancouver Board of Parks and Recreation

/sj/clc

Copy to: PB Senior Leadership Team
PB Communications